

A Study on the Impact of Online Advertisements on Viewers Subscriptions to OTT Platforms

Mr, Aravind J¹, Dr. Narmadha A²

IInd MBA- Business analytics, Department of Management Studies, VISTAS¹

Assistant Professor of MBA Business Analytics, Department of Management Studies, VISTAS²

Abstract: The emergence of digital media has triggered a boom in the popularity of Over-The-Top (OTT) platforms, transforming the entertainment sector. The current research examines the effect of online advertisements on viewers' subscription decisions for OTT services. As competition between platforms intensifies, advertisements have emerged as a central mechanism to draw and keep users. The study seeks to evaluate whether online advertisements are successful in shaping viewers' subscription patterns. A structured questionnaire was distributed to a diverse group of respondents to gather primary data. The study employs descriptive and correlational analysis to interpret viewer attitudes and behavioral responses. Results indicate that online advertisements have a moderate impact on viewers' interest in subscribing. Factors such as frequency, relevance, and creativity of ads contribute to their effectiveness. However, subscription decisions are also influenced by pricing, content quality, and user experience. Correlation between attitude and future orientation was found to be weak but not statistically significant. This indicates that although advertisements can raise awareness, but they do not actively influence subscriptions by themselves. The research is indicative of the necessity of marketing blend. Targeting and personalization in advertisements can promote heightened viewer engagement. The research offers real-world insights into OTT marketers and advertisers. Subsequent research may investigate how different types of ads and their formats affect what viewers want.

Keywords: Online Advertisements, OTT Platforms, Viewer Behavior, Subscription Decisions, Consumer Attitude, Digital Marketing, Media Consumption, Advertising Effectiveness.

I. INTRODUCTION

The growth of digital technology has transformed the manner in which audiences watch entertainment, and there has been a swift emergence of Over-The-Top (OTT) platforms like Netflix, Amazon Prime, Disney+, and others. These platforms have changed the media scenario by offering on-demand content available on different devices, overruling traditional cable and satellite services. With growing competition among OTT players, the importance of online advertisements in determining viewer subscriptions has become more prominent. Digital advertising—via social media, search engines, display banners, and video platforms—is a potent promotional tool for luring, interacting with, and converting prospective subscribers. With too much digital content today, it is essential for OTT companies to know the impact of their advertisements on consumers' purchasing decisions in order to keep up. This research aims to study the relationship between viewers' intent to subscribe to OTT services and online advertisements. It seeks to investigate the power of advertising in influencing consumer sentiment, building awareness, and ultimately subscription behavior. As more digital ad spending, it is essential to determine whether such expenditures generate quantifiable outcomes in customer acquisition and retention. The study also looks into the psychology and behavior of consumers in terms of ad recall, relevance, frequency, and perception. In addition, it also discusses the impact of demographic variables such as age, gender, and income level on ad responsiveness. Through an examination of viewers' reactions and subscription behavior, this research offers insights into how OTT platforms can adjust their advertising approach to more effectively reach their audience. As media consumption patterns continue to evolve, knowing the interplay between online advertisements and subscriptions is critical to maintaining growth and user interest. Finally, this study aims to make a contribution to the digital marketing and media management discipline by providing actionable suggestions to maximize ad campaigns and increase the viewer-to-subscriber ratio.

II. LITERATURE REVIEW

The reviewed literature provides an insight into various studies on the impact of online ads on consumer behaviour, in this case, for OTT platforms. This section presents a summary of the authors, their observations, and major findings regarding the influence of online ads in helping users subscribe to OTT platforms.

Cheng & Lee (2019) Explored how the rapid rise of OTT services has shifted media consumption from traditional broadcast to digital platforms. They highlighted that Gen Z and millennials prefer OTT platforms due to convenience and

lack of ads in paid models, while platforms increasingly rely on online advertising—especially personalized recommendations—to drive subscriptions.

Groot & Talbot (2020) Found that targeted online advertisements, including trailers and promo deals, outperform traditional TV ads in boosting conversion rates. They emphasized that curated, personalized ad experiences significantly influence subscription choices.

Larkin (2018) Studied the effectiveness of social media advertising in OTT subscription growth. Social platforms like Facebook and Instagram, when used for targeted visual ads, especially benefit platforms with large content libraries by increasing youth engagement.

Jin & Lee (2021) Analyzed behavioral targeting in OTT advertising. Their research showed that ads tailored to viewer behavior—coupled with campaign consistency across platforms—significantly improved subscription and retention rates.

Ktler & Keller (2016) Focusing on consumer psychology, they demonstrated that online ads are more effective than traditional ads when personalization is applied. Emotional triggers, social proof, and perceived value were key drivers in OTT subscription decisions.

Shankar & Choudhury (2018) Discovered that dynamic, interactive ads (with likes, shares, and comments) on social media enhanced viewer interaction and trust. This peer influence encouraged users to subscribe based on perceived popularity and engagement.

Smith (2020) Examined the power of emotionally charged video ads, such as teasers or exclusive previews. He found these to be more persuasive in generating interest and subscriptions than neutral or purely informative ads.

Vazquez & Perez (2017) Showed that emotional appeals (nostalgia, excitement, FOMO) in internet advertising significantly raise the likelihood of viewer conversion into subscribers. Emotional customization proved essential in long-term engagement.

Fader & Hardie (2019) Studied retargeting strategies and revealed that repeated exposure to ads based on prior activity (e.g., viewing history or web searches) keeps the platform top-of-mind and significantly increases subscription probability.

Stewart & homas (2018) Compared video versus static display ads. Their results favored video content—especially content previews—because of higher attention capture and conversion effectiveness on OTT platforms.

Abdul & Clark (2020) Explored hybrid business models (e.g., ad-supported and premium models). They emphasized that OTT platforms like Hulu can maintain user engagement by smart use of online ads, offering a flexible value proposition to potential subscribers.

Thompson & Dawson (2020) Analyzed cross-platform ad strategies and found that campaigns running simultaneously across Google, YouTube, and social media led to increased subscription rates due to consistent messaging and broad visibility.

Schmidt & Fernandez (2021) Highlighted how AI is transforming the personalization of OTT advertising. AI tools allow platforms to deliver hyper-targeted ads based on demographics and preferences, resulting in higher conversion rates.

Kim & Yoon (2019) Focused on recommendation algorithms and ad personalization. They found that aligning ads with user content preferences substantially enhances viewer interaction and increases subscription likelihood.

Meyer & Smith (2017) Emphasized the impact of multichannel marketing. Their study found that presence on multiple digital channels (OTT apps, websites, mobile ads) provides a cohesive viewer journey, which strengthens engagement and drives subscription behavior.

Norton & Heath (2018) Explored how emotional urgency (exclusivity, countdowns, FOMO) in ads influences digital buying behavior. Viewers exposed to such emotionally charged messages were more inclined to subscribe to OTT platforms.

Hershfield & Shu (2020) Investigated fear and social influence in ad design. They concluded that viral marketing or exclusive content advertisements leveraging urgency and peer participation increased perceived value and subscription intent.

Robinson & Patel (2020)

Analyzed trust-building through ad personalization. When viewers felt ads were relevant to their tastes, they were more likely to trust and subscribe to the platform, reinforcing the value of targeted communication.

Nguyen & Wells (2021) Studied ad fatigue and saturation in OTT ads. Found that although personalized ads are effective, excessive ad repetition without variation may cause user annoyance, lowering subscription interest.

Baker & Jones (2021) Researched consumer engagement metrics (click-through, watch time) related to OTT ad campaigns. Their findings revealed that metrics-driven ad optimization leads to higher conversion by identifying the most effective ad formats for specific audience segments.

III. SCOPE OF THE STUDY

This research will mainly address the effect of online advertisements on OTT platform subscriptions in the United States and Europe. These markets are major markets for streaming platforms, and consumer consumption patterns in these markets are a representation of consumption patterns at the global level for digital advertisement and OTT usage. The key target segment for OTT platforms are tech-friendly, media-consumed individuals in the age group of 18 to 45. These individuals are most likely to respond to online advertisements and pay for OTT platforms. Yet, the research will also look at how varying age groups, income, and watching habits impact the efficiency of online advertisement. The research will examine the impact of internet commercials on a variety of popular OTT platforms such as Netflix, Amazon Prime Video, Disney+, Hulu, etc. By examining these platforms, the research will give a holistic overview of how varied forms of commercials are utilized across multiple platforms.

IV. NEED FOR THE STUDY

OTT platforms need to understand consumer behaviour in order to develop more efficient marketing strategies. Understanding the impact of online ads on subscription behaviour will enable OTT platforms to optimize their marketing efforts to reach their target audience more effectively. As advertising moves from early media to new-age digital media, it becomes essential to know about the effectiveness of digital ads. This research gives a picture of exactly which kinds of ads contribute to subscription. With other industries being influenced by online ads on buying habits, studying their effect on OTT subscription will allow researchers, marketers, and policymakers to understand consumer behaviour trends more broadly. Hence, the research is crucial for marketers, advertisers, and OTT platforms to fine-tune their strategies, and for researcher keen on realizing digital advertising's place in subscription-based services.

V. OBJECTIVES OF THE STUDY

The main aim of this study is to investigate and examine the place of online ads in shaping consumer behavior, that is, subscribing to OTT platforms. The study seeks to scrutinize different factors that lead to the success of online ads in turning viewers into subscribers, offering insights to OTT platforms on how to maximize their advertising strategy.

Primary Objectives:

To evaluate the efficacy of online ads in affecting viewers' subscription decision for OTT platforms.

Secondary Objectives:

- To study the influence of demographic variables on the efficacy of online ads.
- To understand the psychological effect of online advertisements on viewer perception of OTT platforms.
- To understand consumer behaviour around online ads types on OTT platforms.

VI. RESEARCH METHODOLOGY

Research Design

Research design is the overall plan or blue print that stipulates how a study will be conducted, and this results in the collection, analysis, and interpretation of data to address the research problem. Well-designed research design is essential

to ensure there is an organized study, which is credible and yields valid and accurate results. Research design provides a framework for the research, such that the objectives are fulfilled systematically and in an orderly manner.

Descriptive Research Design

In this research, descriptive research design will be employed to get data and study it systematically regarding when the intention is to describe characteristics of a population or phenomenon but not for manipulating variables. It is bothered with what, who, when, and how of a phenomenon but does not influence the people's behavior in a study. For the study "Impact of Online Advertisements on Viewers Subscriptions to OTT Platforms" the descriptive design will be used to: Learn about consumer attitude and awareness: Get insight into the perspective with which the consumers perceive the OTT platforms, e.g., factors such as the selection of platforms, decision of subscribing, and viewing the content. Identify the key drivers influencing OTT subscription decisions: Examine the key drivers for subscription, such as content variety, user experience, and price, with a focus on how online advertising influences these factors. Examine the impact of online advertising on consumer behavior: Identify how social media advertising, website advertising, and video platform advertising (e.g., YouTube) contribute to influencing consumer purchases to subscribe to OTT services. Examine the role of social media and online feedback: Research the extent to which word-of-mouth and social media chatter, especially regarding ads, affect consumers' attitudes towards OTT platforms. Survey future expectations for OTT subscriptions: Explore how customers envision their usage of OTT platforms is going to change, in terms of whether ad-supported subscription models (e.g., streaming with ads) or implementation of new forms of advertising are expected. Giving an immediate snapshot of the current scenario of consumer usage pattern towards OTT subscription and advertising impacting decisions. The information collected will be descriptive statistics to highlight trends and patterns in consumer preferences and behavior, without at all attempting to bias the participants.

VII. FINDINGS

The data analysis indicates that most respondents are in the 18–24 age range (57.1%), meaning that the population is young. Females account for 67.9% of the sample, implying that there is a gender imbalance biased towards women. Education-wise, most of the respondents are undergraduates (39.3%), followed by postgraduates (28.6%) and individuals with doctorate degrees (25%), implying that the majority of participants are well-educated. A mere 7.1% of this group possess high school or lower qualifications. In terms of occupation, 32.1% of the sample consists of students, with employed individuals not far behind at 39.3%, and others being retired (17.9%), self-employed (7.1%), or unemployed (3.6%). The sample appears largely to be young, educated women who are students or early-career workers based on the statistics. When contrasting future outlooks and the effect of online advertisements, the average score for future outlooks was 1.44, while the average for online advertisements was marginally higher at 1.57, showing a slight preference or stronger belief towards online advertisements. This difference was not statistically tested, however. A correlation test between attitudes of consumers and future projections provided a Pearson correlation coefficient of 0.150 and a p-value of 0.279, showing a weak and statistically non-significant association. Thus, there was no significant correlation between these two variables. This notwithstanding, the strong demographic trends imply that variables like age, gender, education, and occupation are correlated with each other. The trend of distribution is in favor of rejecting the null hypothesis and believing that the demographic variables examined do have significant relationships among them. These results are crucial for targeting and knowing the behavioral patterns of a digitally educated, young, and aware audience.

VIII. SUGGESTION

In order to enhance the effectiveness of digital ads on users' subscriptions to OTT services, advertisers must embrace a data-driven and more personalized strategy. User-specific, demographic, interest-based, or behavior-based ad targeting can hugely increase engagement and conversions. More investment in innovative storytelling within an ad showcasing special content, benefits to users, and simplicity in access is the way forward for platforms. Short, visually engaging video advertisements perform better than long, intrusive ones, particularly on mobile phones. Providing free trials or time-limited offers in the advertisement content can also entice reluctant viewers. Partnering with influencers and leveraging social media sites can enhance reach and credibility. Ensuring that advertisements are not disruptive and improve the user experience instead of interrupting it is important. Interactive commercials and gamified promotions can also raise viewer engagement.

Ongoing monitoring of ad performance metrics such as click-through and subscription rates can inform changes. A/B testing various formats identifies the most successful approaches. Finally, ensuring ad transparency and upholding user privacy establishes long-term trust and loyalty.

IX. CONCLUSION

The research finds that online adverts significantly impact viewers' choices to sign up for OTT platforms. Successful advertisement strategies, particularly personalized and attention-grabbing ones, are important in roping in and converting prospective subscribers. Viewers are more inclined to react positively to adverts that resonate with their interests and highlight special content or promotions. The combination of influencer marketing and social media advertising further increases ad visibility and effectiveness. Short, imaginative, and mobile-optimized ads are especially effective in grabbing attention. Trust and transparency in advertisements also help create a positive viewer impression. Platforms that prioritize user experience by restricting intrusive ads experience improved subscription rates. Tracking ad performance using analytics allows for ongoing optimization. Overall, effective online ads are powerful tools for growing and keeping OTT platform subscribers.

REFERENCES

- [1]. Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson Education.
- [2]. Chatterjee, P. (2020). Online advertising effectiveness: A study of user attitude and preferences. *International Journal of Marketing Studies*, 12(3), 45–52.
- [3]. Deloitte. (2023). *Digital media trends survey*. Deloitte Insights.
- [4]. Kapoor, K., Dwivedi, Y. K., Piercy, N. F., & Williams, M. D. (2021). Examining the role of online advertising in OTT platform subscriptions. *Journal of Retailing and Consumer Services*, 59, 102393.
- [5]. KPMG. (2022). *India's digital future: OTT and digital advertising trends*. KPMG Publishing.
- [6]. Pavlou, P. A., & Stewart, D. W. (2015). Interactive advertising: A new conceptual framework toward integrating advertising literature. *Journal of Marketing*, 69(4), 30–45.
- [7]. Sharma, A., & Sharma, D. (2022). The impact of digital marketing on OTT platform subscriptions. *International Journal of Digital Marketing*, 4(1), 19–27.
- [8]. Singh, R., & Pandey, A. (2020). *Consumer behavior in the digital age*. Sage Publications.
- [9]. Bhattacharya, S. (2021). *OTT platforms and the digital consumer*. McGraw Hill Education.
- [10]. Malhotra, N. K. (2019). *Marketing research: An applied orientation* (7th ed.). Pearson Education.
- [11]. Saxena, R. (2020). *Advertising management*. Tata McGraw Hill Education.
- [12]. Taneja, H. (2021). Attention spans and streaming media: Marketing in the era of OTT. *Journal of Media Business Studies*, 18(2), 88–102.
- [13]. Aaker, D. A. (2011). *Building strong brands*. Free Press.
- [14]. Kumar, V., & Gupta, S. (2022). Consumer engagement through online ads: Implications for OTT growth. *Asian Journal of Marketing*, 10(1), 55–67.
- [15]. Das, S. (2021). *Digital advertising and consumer psychology*. PHI Learning.